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CENTRAL INTELLIGENCE AGENCY

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INFORMATION REPORT

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SECRET

COUNTRY Hungary
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1. Iron and Steel.

a. Production of rolled steel in July 1953 was running at an estimated rate of 1,020,000 tons per annum.

b. The following concerns produce pig iron and/or crude steel:

- (1) Ozd Metallurgical Works, Ozd: Produces pig iron, crude steel, and rolled steel. Estimated output of rolled steel is 420,000 tons per annum.
- (2) Diósgyőr Metallurgical Works, Diósgyőr: Produces pig iron, crude steel, rolled steel, rails, sectional steel, foundry products (gun barrels), forgings, stampings, and specializes in the production of a large range of alloy steels. Estimated output of rolled steel is 504,000 tons per annum.
- (3) Rákosi Mátyás Metallurgical Trust (Open-hearth Furnaces Department, Budapest-Csepel): Is supplied with pig iron and produces crude steel for the factories forming the Rákosi Mátyás Metallurgical Trust (Tube Factory, Welding Electrodes Factory, Foundry, etc.) and for armaments factories. Estimated output of rolled steel 96,000 tons per annum.
- (4) Stalin Iron Works, Sztalinváros: Blast furnaces, open-hearth furnaces and a number of other shops. The completion of this project is delayed owing to the revision of the investment plans. Projected production rates not known.

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c. Other concerns manufacturing steel products are:

- (1) Salgotarján Steel Goods Factory, Salgotarján: Produces wire, nails, heavy castings, ingot moulds, forging and stamping.
- (2) Borsodnádasd Sheet Mills, Borsodnádasd: Produces deep drawing sheets, transformer sheets, etc. Current production estimated at 216,000 - 240,000 tons per annum.
- (3) Lőrinc Rolling Mill, Budapest: Produces rolled steel. Current production estimated at 96,000 - 120,000 tons.

2. Non-ferrous Metals.a. Bauxite and Aluminum.

- (1) The bauxite and aluminum industry is combined in the Szovjet Aluminium Ipar (Soviet Aluminum Industry) of Mosonújvár, with plants at Almásfüzitő, Tatabánya, Ajka, Mosonmagyaróvár and Inota (under construction).
- (2) This industry is now entirely Soviet-owned. All executive posts are occupied by Soviet nationals. (Formerly it was half Soviet and half Hungarian-owned. It became a Soviet enterprise in 1952, when the Soviets returned a number of industries, particularly textiles, to Hungarian ownership and took complete possession of civil aviation, oil, shipping, and aluminum).
- (3) Production data are lacking. It is known, however, that all three products, bauxite, alumina, and aluminum, are exported in large quantities to the USSR. The bauxite is transported by Danube barges.
- (4) Only insignificant quantities are now supplied to Hungary, whereas in 1952 Hungary was still able to export aluminum cable for overhead power lines [REDACTED]

b. Manganese.

Manganese ore is produced in insignificant quantities at a small mine at Urkut. The ore is supplied to the Zagyvaróna Vasötvözetgyár (Iron Alloys Factory) at Zagyvaróna, where it is used in the furnace. The origin of the manganese used by Hungary's metallurgical industry is not known, but the Hungarian ore used is believed to be only a very small part of the country's total requirements.

c. Other Non-ferrous Metals.

- (1) Non-ferrous metals are always in short supply, because Hungary's production is small and imports are sporadic and hard to come by. There have been imports of vanadium and lead from the USSR and China.
- (2) What production there is, is subordinated to Ötvözüanyagipari Tröszt (Alloy Material Industry Trust). This is a small department at 4 Géza-Utca, Budapest V, with not more than 14 employees in all. The whole industry controlled from here employs perhaps 600 persons. It consists of the following:
 - (a) Zagyvaróna Iron Alloys Factory, Zagyvaróna. This is a small plant with a single furnace producing insignificant quantities of ferro-manganese and silicium. The source of raw materials is not known. The plant manager is one Dr. Kovács (fnu) [REDACTED]
 - (b) Ferrokémia--a very small concern, with headquarters at Országbiro Utca 33, Budapest XIII. It runs three sites (Bibor Utca 10, Budapest XIV; Uteg Utca 29, Budapest XIII; Csáky Utca 109, Budapest XIII) where copper and other metals are recovered from iron and steel scrap. Production is insignificant.

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- (c) Vafém, with headquarters at Madách Imre Utca 7, an enterprise engaged on collecting, grading, and recovering iron and metals. There are over 100 similar depots in the country.

3. Refractory Brick.

- a. Hungary is independent of imports for her requirements of refractory linings for iron and steel furnaces. Small quantities have in the past been exported to Czechoslovakia.
- b. Hungary is, however, unable to produce refractory material standing up to temperatures of 2,000° C., as required in smelting oxide of aluminum for tools of great hardness, and cannot obtain it from abroad.
- c. The following works producing refractory materials are in operation:
 - (1) Budapest Refractory Brick Works (Tüzállótéglagyár), Jászberényi Ut, Budapest X.
 - (2) Diosgyőr Refractory Brick Works (Tüzállótéglagyár) Diosgyőr, on the same site as the Diosgyőr Metallurgical Works.
 - (3) Ózd Refractory Brick Works (Tüzállótéglagyár) Ózd, on the same site as the Ózd Metallurgical Works. The number of employees is about 500.
 - (4) Stalin Iron Works, Refractory Brick Works (Sztalin Vasmlvek, Tüzálló Téglagyár), Sztalinváros. Has started operating recently and is producing the linings of the furnaces under construction at Sztalinváros.

4. Research.

- a. Research is conducted by the Iron and Metals Industries Research Institute, (Vas És Fémipari Kutatóintézet).
- b. The institute is directed by Dr. László Gillemót [REDACTED]

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- c. The Metals Industries Research Institute is housed at Fehérvári Ut 122, Budapest XI (just south of the Cable Factory, at the corner of Andor Utca), in a newly completed building. This building is very large, and its equipment is believed to be among the best and most complete of any in Europe. The staff numbers about 200.
- d. Similar institutes exist in all other Satellites and in each of the Soviet Republics.

5. Planning.

- a. Planning is conducted by the Smelting Industries Planning Institute (Kohóipari Tervező Intézet) at Kinizsi Utca 12, Budapest IX.
- b. The leader of the institute is László Hámor and his deputy is János (fnu) who have lived in the USSR for many years.
- c. The staff consists of about 800 to 1,000 persons.
- d. The institute works out all plans and drawings for Hungary's metallurgical industry. It was here that the Sztalinváros Iron Works were planned as well as the reconstruction of the Diosgyőr Works.
- e. All the institute's plans are based exclusively on Soviet methods.

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